

SENATE BILL No. 336

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-6.1-4-4.5.

Synopsis: Foreign country service credit for TRF. Allows teachers' retirement fund (TRF) members with service in a foreign country to purchase TRF service credit.

Effective: July 1, 2004.

Rogers

January 12, 2004, read first time and referred to Committee on Pensions and Labor.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 336

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-6.1-4-4.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4.5. (a) "Out-of-state
3 service" means service in any state **or a foreign country** in a
4 comparable position which would be creditable service if performed in
5 Indiana. The term includes comparable service performed on a United
6 States military installation, in a federal prison, ~~or~~ at an educational
7 facility operated or supervised by the Bureau of Indian Affairs, **or in**
8 **the public school system of a foreign country.**
9 (b) In computing the service credit for each member who began
10 teaching in Indiana before July 1, 1981, and who has served as a public
11 school teacher out of state, the board may include the greater of eight
12 (8) years or one (1) year of out-of-state service for every four (4) years
13 of in-state service; however, this out-of-state service may be included
14 only if rendered before July 1, 1981.
15 (c) In addition, a member may purchase out-of-state service credit
16 which has not been claimed under subsection (b) subject to the
17 limitations of subsections (d) and (e) if ~~he~~ **the member:**

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(1) has at least one (1) year of creditable service in the teachers' retirement fund;

(2) makes contributions, before ~~he~~ **the member** retires, to the teachers' retirement fund:

(A) which are equal to the product of the following:

(i) ~~the member's salary when the member first becomes a member of the teachers' retirement fund; for service credit purchased before January 1, 1994, or the member's salary at the time the member actually makes a contribution for the service credit; for service credit purchased after December 31, 1993;~~

(ii) ~~normal cost, as determined by the actuary of the teachers' retirement fund (For purposes of this chapter, "normal cost" means the value of the annual amount required to fund the prospective benefits promised an employee for the work he has performed.) for service credit purchased before January 1, 1994, or a percentage rate, as determined by the actuary of the teachers' retirement fund, based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased; for service credit purchased after December 31, 1993; and~~

(iii) the number of years of out-of-state service the member intends to purchase; and

(B) for any accrued interest, at a rate determined by the actuary for the teachers' retirement fund, for the period from the member's initial membership in the teachers' retirement fund to the date payment is made by the member; and

(3) has received verification from the teachers' retirement fund that the out-of-state service is, as of that date, valid.

(d) Out-of-state years which qualify a member for retirement in an out-of-state system or in any federal retirement system may not be granted under this section.

(e) ~~After April 1, 1965,~~ At least ten (10) years of in-state service is required before a member may claim any out-of-state service credits.

(f) A member who:

(1) terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance; or

(2) receives a monthly allowance for the same service from another tax supported public employee retirement plan other than

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1 under the Social Security Act;
 2 may withdraw the personal contributions made under the contributory
 3 plan plus accumulated interest after submitting a properly completed
 4 application for a refund to the teachers' retirement fund.

5 (g) The following apply to the purchase of service credit under this
 6 section: ~~after July 1, 1998.~~

7 (1) The board may allow a member to make periodic payments of
 8 the contributions required for the purchase of the service credit.
 9 The board shall determine the length of the period during which
 10 the payments must be made.

11 (2) The board may deny an application for the purchase of service
 12 credit if the purchase would exceed the limitations under Section
 13 415 of the Internal Revenue Code.

14 (3) A member may not claim the service credit for purposes of
 15 determining eligibility or computing benefits unless the member
 16 has made all payments required for the purchase of the service
 17 credit.

18 (h) Contributions ~~received after July 1, 1993,~~ for the purchase of
 19 service credit under this section must be applied against the unfunded
 20 accrued liability of the fund.

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